

SENATE, No. 1714

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED FEBRUARY 28, 2022

Sponsored by:
Senator PAUL A. SARLO
District 36 (Bergen and Passaic)

SYNOPSIS

Concerns county improvement authority contracting powers.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning county improvement authority contracting
2 powers and amending P.L.1960, c.183.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 12 of P.L.1960, c.183 (C.40:37A-55) is amended to
8 read as follows:

9 12. Every authority shall be a public body politic and corporate
10 constituting a political subdivision of the State established as an
11 instrumentality exercising public and essential governmental
12 functions to provide for the public convenience, benefit and welfare
13 and shall have perpetual succession and, for the effectuation of its
14 purposes, have the following additional powers:

15 (a) To adopt and have a common seal and to alter the same at
16 pleasure;

17 (b) To sue and be sued;

18 (c) To acquire, hold, use and dispose of its facility charges and
19 other revenues and other moneys;

20 (d) To acquire, rent, hold, use and dispose of other personal
21 property for the purposes of the authority;

22 (e) Subject to the provisions of section 26 of this act, to acquire
23 by purchase, gift, condemnation or otherwise, or lease as lessee,
24 real property and easements or interests therein necessary or useful
25 and convenient for the purposes of the authority, whether subject to
26 mortgages, deeds of trust or other liens or otherwise, and to hold
27 and to use the same, and to dispose of property so acquired no
28 longer necessary for the purposes of the authority; provided that the
29 authority may dispose of such property at any time to any
30 governmental unit or person if the authority shall receive a
31 leasehold interest in the property for such term as the authority
32 deems appropriate to fulfill its purposes;

33 (f) Subject to the provisions of section 13 of this act, to lease to
34 any governmental unit or person, all or any part of any public
35 facility for such consideration and for such period or periods of
36 time and upon such other terms and conditions as it may fix and
37 agree upon;

38 (g) To enter into agreements to lease, as lessee, public facilities
39 for such term and under such conditions as the authority may deem
40 necessary and desirable to fulfill its purposes, and to agree,
41 pursuant thereto, to be unconditionally obligated to make payments
42 for the term of the lease, without set-off or counterclaim, whether or
43 not the public facility is completed, operating or operable, and
44 notwithstanding the destruction of, damage to, or suspension,
45 interruption, interference, reduction or curtailment of the

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 availability or output of the public facility to which the agreement
2 applies;

3 (h) To extend credit or make loans to any governmental unit or
4 person for the planning, design, acquisition, construction, equipping
5 and furnishing of a public facility, upon the terms and conditions
6 that the loans be secured by loan and security agreements,
7 mortgages, leases and other instruments, the payments on which
8 shall be sufficient to pay the principal of and interest on any bonds
9 issued for the purpose by the authority, and upon such other terms
10 and conditions as the authority shall deem reasonable;

11 (i) Subject to the provisions of section 13 of this act, to make
12 agreements of any kind with any governmental unit or person for
13 the use or operation of all or any part of any public facility for such
14 consideration and for such period or periods of time and upon such
15 other terms and conditions as it may fix and agree upon;

16 (j) (1) To borrow money and issue negotiable bonds or notes or
17 other obligations and provide for and secure the payment of any
18 bonds and the rights of the holders thereof, and to purchase, hold
19 and dispose of any bonds;

20 (2) To issue bonds, notes or other obligations to provide funding
21 to a municipality that finances the purchase and installation of
22 renewable energy systems and energy efficiency improvements by
23 property owners as provided in section 2 of P.L.2011, c.187
24 (C.40:56-13.1);

25 (3) To issue bonds, notes, or other obligations to finance a C-
26 PACE project for a local C-PACE program pursuant to section 9 of
27 P.L.2021, c.201 (C.34:1B-382);

28 (k) To apply for and to accept gifts or grants of real or personal
29 property, money, material, labor or supplies for the purposes of the
30 authority from any governmental unit or person, and to make and
31 perform agreements and contracts and to do any and all things
32 necessary or useful and convenient in connection with the
33 procuring, acceptance or disposition of such gifts or grants;

34 (l) To determine the location, type and character of any public
35 facility and all other matters in connection with all or any part of
36 any public facility which it is authorized to own, construct,
37 establish, effectuate or control;

38 (m) To make and enforce bylaws or rules and regulations for the
39 management and regulation of its business and affairs and for the
40 use, maintenance and operation of any public facility, and to amend
41 the same;

42 (n) To do and perform any acts and things authorized by this act
43 under, through or by means of its own officers, agents and
44 employees, or by contract with any governmental unit or person;

45 (o) To acquire, purchase, construct, lease, operate, maintain and
46 undertake any project and to fix and collect facility charges for the
47 use thereof;

(p) To mortgage, pledge or assign or otherwise encumber all or any portion of its revenues and other income, real and personal property, projects and facilities for the purpose of securing its bonds, notes and other obligations or otherwise in furtherance of the purpose of this act;

(q) To extend credit or make loans to redevelopers for the planning, designing, acquiring, constructing, reconstructing, improving, equipping and furnishing any redevelopment project or redevelopment work;

(r) To conduct examinations and investigations, hear testimony and take proof, under oath at public or private hearings of any material matter, require the attendance of witnesses and the production of books and papers and issue commissions for the examination of witnesses who are out of the State, unable to attend, or excused from attendance;

(s) To authorize a committee designated by it consisting of one or more members, or counsel, or any officer or employee to conduct any such investigation or examination, in which case such committee, counsel, officer or employee shall have power to administer oaths, take affidavits and issue subpoenas or commissions;

(t) To enter into any and all agreements or contracts, execute any and all instruments, and do and perform any and all acts or things necessary, convenient or desirable for the purposes of the authority or to carry out any power expressly given in this act subject to the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.) or section 34 of P.L.1979, c.275 (C.40:37A-55.1);

(u) To pool loans for any local governmental units within the county or any beneficiary county that are refunding bonds and do and perform any and all acts or things necessary, convenient or desirable for the purpose of the authority to achieve more favorable interest rates and terms for those local governmental units; and

(v) To act and exercise the powers of a land bank entity pursuant to P.L.2019, c.159 (C.40A:12A-74 et al.) for any municipality situated within the county pursuant to a land banking agreement approved by an ordinance adopted by the municipal governing body.

(cf: P.L.2021, c.201, s.14)

2. This act shall take effect immediately.

STATEMENT

This bill would expand a county improvement authority's ability to contract for redevelopment purposes. Currently, a county improvement authority's ability to enter into and execute any

1 contract “necessary, convenient or desirable” to the authority’s
2 purposes, is subject to the “Local Public Contracts Law,” P.L.1971,
3 c.198, N.J.S.A.40A:11-1, et seq.. This bill would provide an
4 alternative requirement and allow a county improvement authority
5 to enter such contracts subject to N.J.S.A.40:37A-55.1. That
6 provision of the statutory law sets forth the authority’s power to
7 address and provide for the redevelopment of blighted and
8 deteriorating areas. Expanding a county improvement authority’s
9 ability to contract for redevelopment purposes will allow for more
10 flexibility and greater opportunity to participate in redevelopment.